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P 180705Z DEC 09  
FM AMEMBASSY MADRID  
TO RUEHC/SECSTATE WASHDC PRIORITY 1573  
INFO RUEHRL/AMEMBASSY BERLIN PRIORITY 0672  
RUEHSM/AMEMBASSY STOCKHOLM PRIORITY 3099  
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 2451

UNCLAS MADRID 001195

SIPDIS

PM/DTCC - BLUE LANTERN COORDINATOR FOR MEREDITH SUNDLOF  
STACIE ZERDECKI, EUR/WE  
STOCKHOLM FOR MARC KOEHLER

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [SP](#) [SW](#) [MARR](#)  
SUBJECT: BLUE LANTERN CHECK ON LICENSE GC 0411-09

REF: A. STATE 109436  
[1](#)B. MURRAY-SUNDLOF TELCON 12/07/09  
[1](#)C. SUNDLOF-MURRAY E-MAIL 12/09/09  
[1](#)D. 2008 STOCKHOLM 772 AND PREVIOUS

[1](#)1. (SBU) SUMMARY: Pol-Mil officer and Air Force Attache made site visit requested in reftel A in order to confirm the delivery in March 2009 of three Bell 212 helicopters transferred to Spain from Sweden and to confirm that the end user continues to "evaluate the mechanical status of the helicopters in order to decide what further commercial actions are available given the condition of the craft," as stated in the DSP-83 signed February 6. Venture capitalists Ivan Bedia and Pedro Torres Gallego provided a tour of their facilities, including the hangar where all three helos are currently being stored, and were forthcoming both about how they acquired the helicopters and how much they wish they had not done so. Presenting themselves as investors trying to salvage what they could of a bad, bad business deal, Bedia and Torres were frank about the non-viability of commercial options and sought Department assistance in recouping as much of their investment as possible while adhering to International Traffic in Arms Regulations (ITAR). Pol-Mil officer has advised Bedia and Torres of the need to submit General Correspondence to change end use(s) once they have identified prospective buyers. END SUMMARY.

[1](#)2. (SBU) Ivan Bedia is the General Manager of Guadaira Componentes. The Guadaira GROUP financed the original operation and now has possession (about one hour outside Madrid) of the helos. Within the "group," Bedia told Emboffs that European Helicopter Service (EHS) belongs to INACA (Inversiones de America y Cadiz), which was represented November 6 by Pedro Torres Gallego. Torres is an investor based in southern Spain, who has no English ability. They claimed to be very eager to see visitors from the U.S. Embassy because they wanted our help in figuring out what to do next, and they await our instructions.

[1](#)3. (SBU) C.I. Guadaira is located in a brand new facility that opened in July 2009 about an hours' drive from Madrid. The company has ten employees and is certified in Spain to work on transmissions and motors and to refurbish "dynamic parts," not including helicopter blades. In addition to green-designed office spaces, Bedia escorted Emboffs through a "clean room" for metallurgy. By contrast the relatively unfinished hangar lacked temperature controls and was very dusty. Two helos we observed were still wrapped in plastic sheeting coated in dust. A third helo, Serial No. 32231 and Tail No. 014, that had been partially disassembled for display purposes to potential buyers, was also covered with dust. Bedia advised the blades were corroded beyond likely repair and indicated the other removed parts on shelves in the secure warehouse hangar.

14. (SBU) Bedia and Torres recounted the whole story from their perspective of purchasing 16 such helicopters from the Israeli Defense Ministry, of which they took delivery of the first four on a trial basis, before their German partner (European Petrol Station, or EPS) dropped out of the transaction. (Bedia and Torres described meetings that took place in Israel in 2005 and 2006 and included EPS. The Guadaira Group is now pursuing a claim of USD \$1.2 million for its down payment from the Israeli MOD and is reportedly close to an agreement with Israeli lawyers.) These 16 helos were half of an original group of 32 such aircraft. Bedia cited the example of INAER, which had acquired six or eight such helos for firefighting under a restricted Spanish Certificate of Airworthiness (COA). When Grupo Guadaira agreed to acquire additional helos in lots of four, Bedia held their intention was always to fly the helos in Europe. They exported them to Sweden in hopes of acquiring a COA more easily than Spain, and they claim they spent an estimated USD \$400,000 more to certify the helicopters. Sometime after the purchase and transfer, however, EU regulations changed, preventing the certification of these particular models for firefighting and other civilian uses. (NOTE: Even previously cited INAER is no longer permitted to fly its helos. End note.) They do not have and may never have the accountability and service records for these aircraft (the mechanical logbooks are in Israel), however. Bedia frankly acknowledged that even if they could or wanted to get the aircraft in working order, there is no way these helos would be allowed to fly in the EU (or in the United States).

15. (SBU) Consequently, the investors told us they have had to look elsewhere for potential markets for the aircraft. They have had some interest (buyers from the Dominican Republic, Mexico, Costa Rica, Dubai, Israel, Canada, Colombia) but no lookers have pursued the deal. They have also been visited by officers of the Spanish National Intelligence Center (CNI). They have contemplated lowering the asking price. (NOTE: License GC 0411-09 lists a combined value of USD \$600,000 for all three helos, but Bedia valued each helo at USD \$500,000. End note.) In the face of our inquiry and the CNI questioning, and to get their investors off their backs, however, Bedia and Torres told us they were leaning toward decommissioning and removing the military character of the helicopters in order to scrap them and sell as many parts as are viable. They held their goal was to get rid of the helos, in parts, and recoup some of their investment. They requested our assistance in determining what parts the United States would allow them to sell and they offered assurances that if permission were denied, they would destroy the helos and report same to State.

16. (SBU) Bedia and Torres suspected that the CNI officers had been sent to Guadaira based on information from U.S. Embassy officers here and in Sweden. The told AIRA and Pol-Mil officer that a U.S.-Swedish dual national contract employee named Arnold B. Sundquist, who had lost his job and hangar fees with the transfer of the helos from Sweden to Spain, had told "strange stories" to Embassy Stockholm about the Group's attempts to sell the helos to Hezbollah, forcing them to explain themselves to both the GOS and the USG. Bedia and Torres laughed to dismiss the allegations. With the characterization of Sundquist as a disgruntled employee, Emboffs inquired about Helena Pariza Lopez, one-time General Manager of European Helicopter Service (ref D). According to Bedia and Torres, Pariza Lopez no longer works for EHS and had not since May or June 2009.

17. (SBU) COMMENT: Presuming no malice aforethought, knowing that CNI has already expressed interest in the company and these specific helicopters, and upon consultation with PM/DTCC, Post has provided the Spanish owners of the three helos with required steps to follow should they identify buyers for specific parts (ref C). Now that they seem committed to selling the helos for parts, the first hurdle will be to disassemble each and determine which parts are marketable. Next, they must identify potential buyers. Post

has stressed that before proceeding with any transactions, Guadaira must submit General Correspondence to PM/DTCC requesting a change in end use for each specific part. As of the date of this report, neither Torres nor Bedia had communicated with Post regarding their intentions. Pol-Mil officer will reach out to the helo owners again after the Christmas holidays to see where things stand and to facilitate any requests to change end use. END COMMENT.  
CHACON